

elements as those states use for universal service. Second, the Commission should require a local exchange carrier to provide only toll blocking (where technically available), not toll control services, to its Lifeline customers. Third, resellers of local services should not be Eligible Telecommunications Carriers for purposes of receiving high-cost support.

Finally, the Commission should recognize that some states may have established rates for school and libraries in anticipation of receiving universal service fund support. That support should not be jeopardized by characterizing those rates as "pre-discount."

II. The 25% Interstate Allocation To Universal Service Should Be Retained. But A Portion of Interstate High-Cost Support Should Flow to Local Rates.

The Commission should deny the requests of several state commissions and other parties to increase the interstate payment into the federal high-cost universal service fund from the present 25% of the difference between benchmark rates and costs to some higher amount.³ Although petitioners claim that the 25% limitation will force states to increase local rates, any such increases are not the result of the 25% interstate universal service funding but are caused by the requirement that interstate funding be used solely to reduce interstate access charges.⁴ As a result, interstate support that is now used to reduce high-cost carriers' local revenue requirements will be unavailable for that purpose. If the Commission were instead to allocate a portion of the

³ See, e.g., Petition for Reconsideration by the Public Utility Commission of Texas at 2-3 ("Texas"), Petition for Reconsideration of GVNW Inc./Management at 6-8 ("GVNW"), Petition for Reconsideration and Clarification of the Rural Telephone Coalition at 1-6 ("RTC").

⁴ Order at ¶¶ 268-69, 750-71.

federal high-cost fund to support local rates, there would be no need to increase the 25% allocation to reduce upward pressure on local rates.

Section 254 of the 1996 Act requires that federal high-cost universal service support be used to help ensure that those local telecommunications services that the Commission has designated as universal services⁵ are "available at just, reasonable, and affordable rates."⁶ That requirement can be fulfilled by remitting to the Universal Service Fund Administrator an amount that will ensure that each state receives from the interstate universal service fund the current (1997) amount of local service support, indexed for inflation. Only after the present level of support is paid to each state should the remainder of the interstate high-cost fund be used to reduce interstate access charges.

The interstate fund under the mechanism that becomes effective in 1999 should be more than sufficient to provide each state the same interstate funding level as it is now receiving. In the unlikely event that this is not the case, the Commission should increase the interstate fund to ensure that each state receives the aggregate universal service payment that local carriers in that state receive in 1997, indexed for inflation.⁷

⁵ *Id.* at ¶¶ 61-82.

⁶ 47 U.S.C. § 254(b)(1).

⁷ It appears unlikely that such an increase would be needed. Of the present interstate universal service fund of about \$1.56 billion, approximately \$1.235 billion is provided to rural companies in the form of interstate high-cost assistance, Long Term Support ("LTS") and DEM weighting, leaving about \$325 million for non-rural company support. Under the revised plan, the current rural support amounts are retained, at least for a number of years. All of the methodologies proposed by any of the parties (including use of actual costs) would produce an interstate non-rural fund that far exceeds the current \$325 million level. If that amount, indexed for inflation, were remitted to states to support local rates, there would still be a substantial fund remaining to reduce interstate access rates.

Nor is the 25% allocation unrelated to the actual allocation of costs between interstate and intrastate jurisdictions, as some parties claim. If anything, the interstate allocation is too high. The Dial Equipment Minutes ("DEM") factor, that allocates local switching revenue requirements between interstate and intrastate jurisdictions, is about 15%.⁸ The interstate allocation of the local loop is established at 25% under the Commission's Separations Rules.⁹ A composite of the two would be less than 25%. A 25% factor, even if somewhat high, is easily administered and would not be subject to annual variation as the DEM interstate allocation changes. Therefore, contrary to the parties' claims, use of a 25% interstate factor for funding universal service is reasonable, more than accommodates the existing support, and should be retained.

III. A Combined Interstate/Intrastate High-Cost Fund Would Deny States Their Statutory Authority To Create Their Own High-Cost Funds.

Contrary to the arguments of several petitioners,¹⁰ nothing in Section 254 gives the Commission authority to establish a combined interstate-intrastate high-cost fund. Congress explicitly provided that there should be separate "federal and state mechanisms to preserve and advance universal service."¹¹ Under Section 254(d), the Commission may assess revenues from

⁸ Monitoring Report, CC Docket No. 87-339 at 555, Table 4.20 (May 1997).

⁹ The Commission should expeditiously initiate a rulemaking to reform the jurisdictional separations rules.

¹⁰ *E.g.*, Sprint Corporation Petition for Reconsideration at 2-3 ("Sprint"), Wyoming Public Service Commission Petition for Reconsideration at 4-5, Petition for Reconsideration and Clarification of US WEST, Inc. at 2-9 ("USW").

¹¹ 47 U.S.C. § 254(b)(5).

carriers that provide interstate telecommunications services to fund interstate high-cost support mechanisms.¹² In this way, interstate carrier contributions are to be used to maintain universal service as between various states nationwide. Congress also provided that individual states may assess intrastate service revenues to support high-cost areas within the state if they find such support needed.¹³ With a combined fund, the Commission would have to determine whether intrastate universal service funding is required and at what level. That would impermissibly exceed the Commission's jurisdiction, because Congress explicitly gave that authority to the states.¹⁴

IV. High-Cost Support Should Not Change When an Exchange Is Sold.

The Commission properly found that when a telephone exchange is sold, the per-line amount of high-cost support could not increase solely because of the sale.¹⁵ Several parties ask that, instead, the support be based upon the cost characteristics of the new owner.¹⁶ There is no public interest justification for using high-cost universal service funds to help finance the sale

¹² 47 U.S.C. § 254(d).

¹³ 47 U.S.C. § 254(f).

¹⁴ *Id.* ("Every telecommunications carrier that provides intrastate telecommunications services shall contribute, ... in a manner determined by the State to the preservation and advancement of universal service in that State." (emphasis added)). See *Iowa Utilities Board v. FCC*, Nos. 96-3321 et al., 1997 WL 403401 (8th Cir. July 18, 1997) ("*Iowa Utilities*").

¹⁵ Order at ¶ 308.

¹⁶ *E.g.*, Petition for Reconsideration of the Rural Telephone Companies at 21, United States Telephone Association Petition for Reconsideration and/or Clarification at 7-9 ("USTA"), GVNW at 20-21.

of exchanges. Many of these sales occur because large local exchange companies that do not qualify for high-cost support choose to shed high-cost exchanges to reduce their per-line cost, while the purchaser's high-cost support increases. The operating costs of these exchanges have not changed as a result of the sale, yet ratepayers across the country must increase their universal service assessment to defray loop costs assumed by the new parent company. The expected increase in high-cost support to the new owner inflates the purchase price of the exchange. As a result, the high-cost fund really reimburses the buyer for the higher price it paid the seller for the exchange. The Commission properly decided that it should not permit that result.

V. The Indexed High-Cost Cap Should Remain In Place.

During the transition period until all carriers receive high-cost support based upon forward-looking economic costs, the Commission properly retained the existing indexed cap on high-cost contributions.¹⁷ Several parties want this cap removed, claiming that the fund may not fully recover increases in loop costs or in interstate calling.¹⁸ However, this indexed cap has been in place since January 1994, and no party has even attempted to show that any ratepayer has been harmed by it during the past three and one-half years. Instead, the petitioners posit hypothetical scenarios that they claim could cause costs to rise sharply. If unforeseen circumstances occur that warrant revisiting the cap for any carrier or set of carriers, the affected carriers should be permitted to seek appropriate relief. However, in the absence of a showing of

¹⁷ Order at ¶ 281.

¹⁸ *E.g.*, USTA at 16-17, Petition for Reconsideration and Request for Clarification of the Alaska Telephone Association at 3, RTC at 18-20.

need, there is no justification for removing the cap for all carriers. As the Commission found, "[c]ontinued use of this indexed cap will prevent excessive growth in the size of the fund during the period preceding the implementation of a forward-looking support mechanisms [sic]. We find that a cap will encourage carriers to operate more efficiently by limiting the amount of support they receive."¹⁹ These public interest reasons justify retention of the indexed cap.

VI. Special Interest Exemption Requests Should Be Denied.

The petitions include a parade of telecommunications service providers that seek an exemption from the requirement to support universal service. This diverse group includes private carriers,²⁰ systems integrators,²¹ payphone service providers,²² private satellite carriers,²³ and paging companies.²⁴ Each of these groups attempts to show why it, uniquely, should be

¹⁹ Order at ¶ 282.

²⁰ Petition for Reconsideration of the Information Technology Association of America at 3-9.

²¹ Petition of the Ad Hoc Telecommunications Users Committee for Partial Reconsideration and Clarification of Report and Order at 11-18 ("Ad Hoc").

²² *Id.* at 18-24, American Public Communications Council Petition for Partial Reconsideration. If the Commission were to exempt private payphone providers from contributing to universal service, which it should not, it should also exempt the payphone businesses of telecommunications carriers in order to maintain competitive neutrality.

²³ Columbia Communications Company Petition for Reconsideration and/or Clarification at 3-7, Petition for Reconsideration of GE American Communications, Inc.

²⁴ *E.g.*, Personal Communications Industry Association Petition for Partial Reconsideration and Clarification at 4-8, Ozark Telecom Inc. Petition for Reconsideration, ProNet Inc. Petition for Reconsideration at 2-9. Some of the paging companies request either an exemption or a reduced payment level.

exempted from contributing to the fund. The Commission, however, recognized that each member of these groups competes with common carriers that are obligated by statute to contribute. Therefore, under the express authority of Section 254(d),²⁵ it determined on the basis of competitive neutrality that all such entities that provide telecommunications to others for a fee should contribute.²⁶ Exempting any or all of the providers will skew the competitive marketplace. Such exemptions would allow "contribution obligations to shape business decisions" and could "discourage carriers from continuing to offer their common carrier services," both results that the Commission sought to prevent.²⁷ Therefore, the Commission properly used its permissive authority by finding that the public interest requires universal service fund contributions from other telecommunications providers.

VII. The Commission May, But Is Not Obligated To, Assess Universal Service Fund Contributions Through End User Surcharges.

Contrary to the claims of AT&T, US WEST, and MCI, the Commission is not required to impose end user surcharges to fund universal service.²⁸ Assessments on carriers based upon retail revenues are explicit and predictable -- carriers will know that they must pay

²⁵ 47 U.S.C. § 254(d) provides, in part, that "[a]ny other provider of interstate telecommunications may be required to contribute to the preservation and advancement of universal service if the public interest so requires."

²⁶ Order at ¶¶ 795-96.

²⁷ *Id.* at ¶ 795.

²⁸ AT&T at 5-6, MCI Telecommunications Corporation Petition for Reconsideration and Clarification at 6-8, USW at 9-10.

the Administrator a specified percentage of their end user revenues. The Act requires that interstate contributions are to be paid by telecommunications carriers and other providers that the Commission designates.²⁹ So long as the contributions are explicit and predictable as to those entities, the statutory requirement is met, even if they recover those contributions from their ratepayers in a variety of ways. The Commission has the right to impose end user surcharges, so long as such surcharges are assessed equally on all end users and the carriers collect and pay those charges into the fund. However, end user surcharges are not the only permissible means of assessing universal service contributions under the statute, as the three parties claim.

VIII. The Commission Should Allow States To Determine Whether Or Not To Use the Same Models For Universal Service and Pricing of Interconnection Elements.

The Commission urges states to use a similar cost methodology for the pricing of unbundled network elements and for universal service.³⁰ The Texas commission asserts that use of the same methodology for both purposes may not always be appropriate.³¹ Under Section 252(d), and recently affirmed by the U.S. Court of Appeals,³² states have sole authority to determine prices for unbundled network elements, and the Commission should not attempt to influence that determination by suggesting what cost methodology or model to use. Therefore,

²⁹ 47 U.S.C. § 254(d).

³⁰ Order at ¶ 251.

³¹ Texas at 4-6.

³² *Iowa Utilities*, 1997 WL 40301 at *8 ("subsections 252(c)(2) and 252(d) clearly assign jurisdiction over the rates for the local competition provisions of the Act to the state commissions.").

the Commission should vacate its recommendation and leave states with the discretion to adopt the cost methodology for unbundled network elements that they find appropriate, consistent with the requirements of the Act, whether they choose to use the same or a different methodology as they use for universal service.

IX. Toll Control Services Should Not Be Required For Lifeline Customers.

The only toll limitation service that exchange carriers should be required to offer their Lifeline customers (where technically feasible) should be toll blocking, and the Commission should grant petitions asking the Commission to eliminate toll control³³ as a Lifeline service.³⁴ RTC asserts that, "[t]here is no known switch modification which will provide a LEC with the capability to determine, in real time, the accumulated toll billings of any subscriber, even where the LEC provides billing and collection for some of the IXCs serving its subscribers."³⁵ Even if some switch modifications become available that allow carriers to track dollar amounts of calls that a customer places with a presubscribed carrier, the record here does not show that such a service would be very effective to prevent a customer from incurring higher toll charges. For example, customers could use dial-around or 800 services to exceed the pre-set dollar limit or change call options from their pre-subscribed interexchange carrier without

³³ Toll control is a service "that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle." 47 C.F.R. § 54.400(a)(3).

³⁴ RTC at 24, USTA at 4-7, GVNW at 20, USW at 20-22.

³⁵ RTC at 24.

notifying the local exchange service provider. Therefore, it is not clear from the record that any toll control service will be very effective in preventing customers from exceeding their limit. As a result, exchange carriers should not be required to offer toll control to Lifeline customers, even when a switch upgrade would permit the offering of some form of that service.³⁶

Toll blocking will effectively prevent customers from incurring excessive toll bills. If they wish to make toll calls, customers need only purchase pre-paid calling cards. By paying in advance, consumers can ensure that they will not exceed their budgets for toll calls. As a result, the consumers implement their own toll control by limiting the amount of their card purchases.

X. Resellers Should Not Be Eligible Telecommunications Carriers.

Two petitions ask the Commission to reconsider its finding³⁷ that a carrier may be declared an Eligible Telecommunications Carrier ("ETC") if it offers only a *de minimis* amount of service, such as operator services, through its own facilities and provides the bulk of its universal services through resale.³⁸ As those parties correctly point out, resellers already receive services from underlying carriers at a discount, and they are not incurring the economic cost of building or maintaining the line. The Commission has found, however, that high-cost support is

³⁶ See Order at ¶ 388.

³⁷ *Id.* at ¶¶ 169-71.

³⁸ Time Warner Communications Holdings, Inc. Petition for Reconsideration, Sprint at 3-4.

to be used "for the provision, maintenance and upgrading of facilities and services."³⁹ Where nearly all of the services that a carrier offers are being purchased from another carrier at a wholesale discount, any high-cost support the reseller receives would not be used for these purposes. Allowing an ETC simply to provide operator services through its own facilities and resell all other services would discourage facilities-based competition and increase the public's reliance on the facilities of a single carrier in a given area. The Commission should grant the petitions and deny ETC designation to resellers.

XI. Rates Currently Offered To Schools and Libraries May Not Necessarily Qualify As "Pre-Discount" Rates.

NASTD asks whether current rates charged to schools and libraries qualify as pre-discount rates against which universal service discounts apply.⁴⁰ If the rates charged are standard rates that apply to the general public, the answer to NASTD's question is yes. However, some states may have established special universal service rates for schools and libraries in anticipation of the Commission's Order, under the assumption that the support provided in Section 254(h)(1)(B) would apply to the difference between generally-available rates and the special school and library rates. In those cases, there is no justification for classifying those rates as the "pre-discount" rates, thereby jeopardizing the carrier's ability to recover support from the universal service fund. Each such situation must be examined on a case-by-case basis to

³⁹ Order at ¶ 286.

⁴⁰ National Association of State Telecommunications Directors, Request for Partial Reconsideration and Clarification at 2 ("NASTD").

determine whether the rate should be considered a pre-discount rate for the purposes of universal service.

XII. Conclusion

Accordingly, the Commission should address the reconsideration petitions as discussed above.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Lawrence W. Katz", is written over a horizontal line.

Lawrence W. Katz

Edward D. Young, III
Betsy L. Roe
Of Counsel

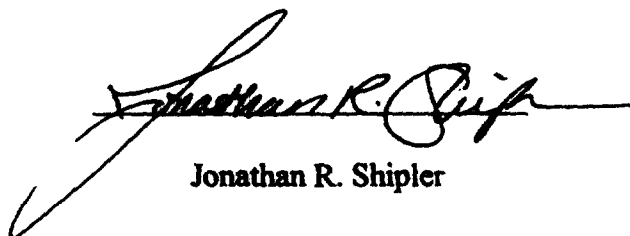
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Attorney for the Bell Atlantic
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August 18, 1997

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of August, 1997, a copy of the foregoing
"Opposition of Bell Atlantic to Petitions for Reconsideration" was served by first class U.S. mail
to the parties on the attached list.



Jonathan R. Shipler

* BY HAND

ATTACHMENT 4

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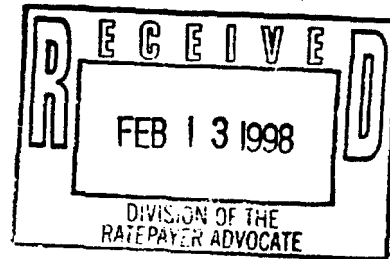
Barry S. Abrams
Vice President, General Counsel & Secretary
Legal Department



February 6, 1998

Via Hand Delivery

James A. Nappi, Secretary
New Jersey Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102



**Re: In The Matter Of The Investigation Regarding Local Exchange
Competition For Telecommunications Services
Docket No. TX95120631**

Dear Secretary Nappi:

This letter in lieu of brief from Bell Atlantic - New Jersey, Inc. ("BA-NJ") addresses the FCC's Fourth Order on Reconsideration, CC Docket No. 96-45 ("the Fourth Order"), released December 30, 1997. Portions of the Fourth Order bear on issues concerning Access New Jersey rates which were addressed by the parties in the Universal Service Phase of the Generic Proceeding. This letter also addresses certain comments of the Ratepayer Advocate (the "Advocate") dated January 14, 1998 which were improperly filed in Docket No. TX96100707.

The Fourth Order clarifies two questions about Access New Jersey rates. First, it is now clear that BA-NJ may offer schools and libraries a choice between rates available under Schedule A of the ONJ Stipulation ("Access New Jersey rates") and rates available through

application of Federal Universal Service discounts.¹ Second, where a school or library has chosen the Access New Jersey rates, BA-NJ may seek reimbursement from the Federal Universal Service Fund for that portion of the Access New Jersey discount that the school or library is entitled to receive from the Federal Universal Service Fund.

Choice of Rates

Following the publication of the Universal Service Order, a number of parties sought clarification of the meaning of Lowest Corresponding Price ("LCP") in cases where a service provider offers a low price to a school or library under a "special regulatory subsidy" or by virtue of a contract "negotiated under very different conditions."²

Specifically, the United States Telephone Association ("USTA") sought clarification of ¶489 of the Universal Service Order, which had provided that the FCC will "not require a carrier to match a price it offers to a customer who is receiving a special regulatory subsidy or that appeared in a contract negotiated under very different conditions, if that would force the provider to offer services at a rate below Total Service Long Run Incremental Cost ('TSLRIC')." USTA sought a ruling that services provided under such circumstances were "dissimilar" to other offerings "for purposes of the LCP test," and that therefore, under such circumstances, a service provider would not have to prove that matching such a special low price would force it to offer service at a rate below cost. (USTA Petition at 18-19)³ The FCC agreed with USTA and specifically modified its earlier holding to clarify this point:

¹ The Advocate and AT&T maintained that the concept of lowest corresponding price ("LCP") set forth in ¶483(3) of the May 8, 1997 Universal Service Order ("the Universal Service Order") precludes BA-NJ from offering such an alternative, and instead mandates that BA-NJ offer Access New Jersey rates to all schools and libraries, which then have the option of treating Access New Jersey rates as the pre-discount price prior to the application of Universal Service discounts.

² See *Fourth Order*, ¶141.

³ The Petition of USTA is annexed hereto as Exhibit A.

Under our modified rules, a service provider will not be required to demonstrate further that matching such a price would force the provider to offer service at a rate below the compensatory rate for that service.⁴ Thus, a carrier need only prove that a particular price which a school or library, or a competitor, seeks to have declared the LCP is a "special regulatory subsidy" or a provision in a contract "that was negotiated under very different circumstances."⁵

Access New Jersey prices qualify both as (1) special regulatory subsidies and (2) contracts negotiated under very different conditions. Accordingly, they are not the LCP and may be offered to schools and libraries as an alternative to the Federal Universal Service discounts.

1. Plainly, the Access New Jersey rates are the result of a special regulatory subsidy. The applicable test set forth in ¶141 of the Fourth Order, is "a case by case analysis" as to whether the rate is (a) a special regulatory subsidy or (b) "generally available to the public." The Access New Jersey rates are not generally available to the public, but rather only to those elementary and secondary schools and libraries that are served by BA-NJ and only to those schools and libraries that elect the Access New Jersey rates instead of Universal Service rates. The rates, therefore, are "special." Moreover, these discounts were negotiated, agreed to and finally ordered in the context of a Board proceeding, and hence are "regulatory." Finally, the special rates are provided to schools and libraries without any requirement of reimbursement by the recipient to the provider, and are therefore "subsidies."

In response to the clear applicability of this provision, the Advocate states only that the word "subsidy" does not appear anywhere in the Stipulation or the Order approving the Stipulation. This argument is misconceived; the use of a specific word is not necessary to

⁴ Fourth Order, ¶141.

⁵Id.

convey an obvious meaning. The Access New Jersey rates set forth in the ONJ Stipulation were the most recent result of a proceeding in which the State of New Jersey, for its part, gave approval for an alternative plan of regulation for BA-NJ, and BA-NJ, for its part, provided benefits passed through to its customers. The result -- whether it is called "support," a "grant," a "benefit" or a "savings" -- is a subsidy for the schools and libraries in question.

2. Just as clearly, the Access New Jersey rates are the result of contracts "negotiated under very different conditions from typical service provider contracts." A school that is entitled to prescribed rates for telecommunication services by the reason of a Board order is doing business with a service provider under very different conditions from those in effect when normal market conditions prevail. The conditions in which Access New Jersey rates were set were not only "very different" from the conditions normally giving rise to tariffed telecommunication prices, they were situated in a unique regulatory context. The Advocate suggests nothing to refute this position.

USE Recovery

The Fourth Order also makes clear that where a school or library elects the Access New Jersey rates, BA-NJ is permitted reimbursement of that portion of the discount to which the school or library is entitled from the Federal Universal Service Fund. Thus, for example, where: (a) the tariff price or CSP for a particular service is \$360; (b) the Access New Jersey rate for that same service is \$180; and (c) the Federal Universal Service discount available for the school or library in question is 20%, then the Federal Universal Service Fund would

pay \$72 (20% of the tariff price or CSP) to BA-NJ and the school or library would pay \$180 to BA-NJ. BA-NJ would absorb the remaining \$108.

The Fourth Order provides in ¶196, that this procedure is correct, i.e. that the Federal Universal Service discount is taken first, and the state-supported discount is applied later.

There the FCC stated:

We conclude that, for services provided to eligible schools and libraries, Federal Universal Service discounts should be based on the price of the service to regular commercial customers or, if lower than the price of the service to regular commercial customers, the competitively bid price offered by the service provider to the school or library that is purchasing eligible services, prior to the application of any state-provided support for schools or libraries. To find otherwise would penalize states that have implemented support programs for schools and libraries by reducing the level of federal support that those schools and libraries would receive. (Emphasis added)

As BA-NJ noted in the Universal Service Phase of the Generic Proceeding, New Jersey would be penalized financially -- in the form of reduced Federal Universal Service Fund revenues flowing into the State -- unless schools and libraries were entitled to Universal Service discounts from the prediscount price before state-supported discounts were applied. The Fourth Order confirms this calculus.

Access New Jersey rates are "state-supported." While the school or library that is the beneficiary of the Access New Jersey rates does not receive a check signed by the State of New Jersey, the monetary benefit that the school or library is receiving is undeniably the result of (1) state regulatory action and (2) state financial support. In its Order dated May 6, 1993 proceeding, the State of New Jersey approved an alternative plan of regulation for BA-

NJ, while BA-NJ in turn agreed to provide network expansion and rate reduction benefits which flow through to schools and libraries among other recipients.. If the State of New Jersey did not approve the plan so that BA-NJ could pass the savings from its efficiencies on to schools and libraries, the schools and libraries would not receive the benefits of Access New Jersey.

In order to ensure that all New Jersey schools and libraries receive the maximum benefit from the Federal Universal Service Fund, the available Federal Universal Service discount should be applied to the tariff or LCP.⁶ Such an application is not "double-discounting." The school that elects Access New Jersey receives that state-sponsored benefit, and, pursuant to ¶196, BA-NJ then receives that portion of the state benefit that is available from the Federal Universal Service Fund.

For the foregoing reasons, BA-NJ respectfully requests the board to rule in its favor in the Access New Jersey questions as set forth in its brief of December 5, 1997.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be "BSA" followed by a stylized flourish.

BSA:dmp
Attachment
cc: Service List

⁶ The LCP would be the price charged by BA-NJ to similarly situated customers for services provided under contract, if the price were lower than the tariff price. It is not the Access New Jersey rate.

**NOTICE OF PRE-PROPOSAL
NOTICE OF INVESTIGATION
LOCAL EXCHANGE COMPETITION FOR TELECOMMUNICATION SERVICES
BPU Docket No. TX95120631**

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EXHIBIT A

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Federal-State Joint Board on
Universal Service

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CC Docket No. 96-45

**UNITED STATES TELEPHONE ASSOCIATION
PETITION FOR RECONSIDERATION AND/OR CLARIFICATION**

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July 17, 1997

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